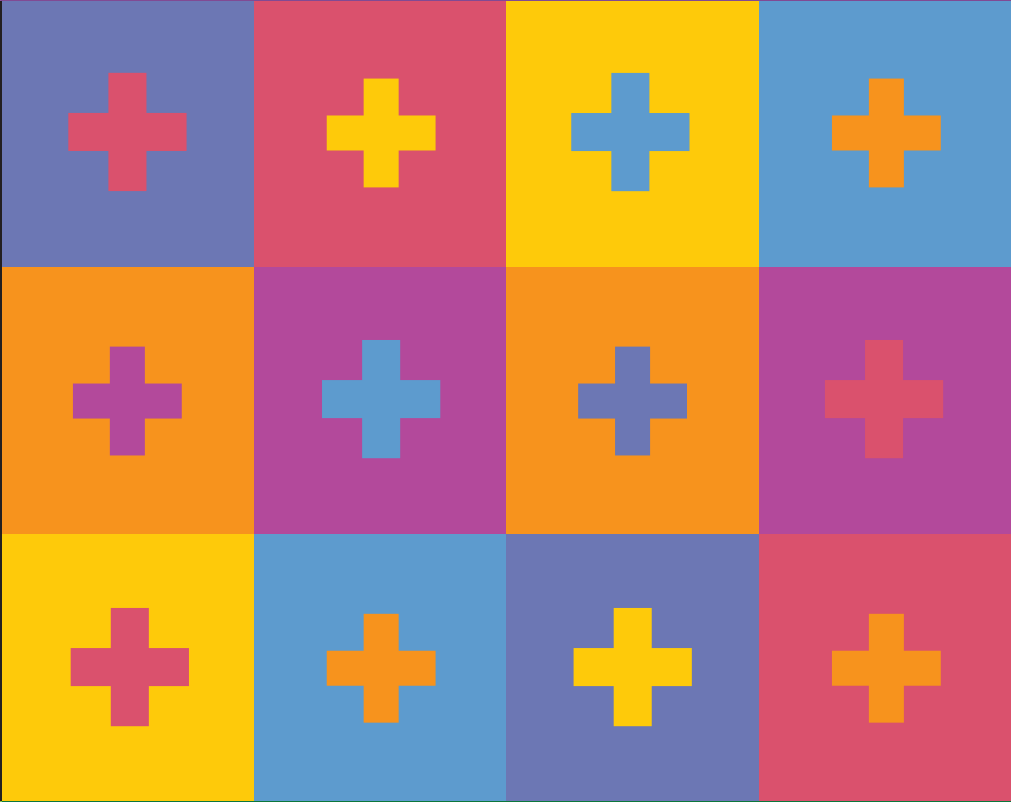


Mapping Your Path to Work  
Answers To Your Work Questions  
From New York Makes Work Pay

# Medicaid & Work

Keeping Your Medicaid While You Work

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# In This Guide

The purpose of this guide is to educate New Yorkers with disabilities who receive SSI about how they can go to work and keep their Medicaid.

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This booklet is part of a series of New York Makes Work Pay publications that help New Yorkers with disabilities plan a path to employment.



## Effect of Medicaid On Work

In New York State, Supplemental Security Income (SSI) beneficiaries who receive at least \$1 in SSI automatically qualify for Medicaid. One of the biggest concerns SSI beneficiaries have about going to work is the possibility of losing Medicaid coverage should they become ineligible for SSI. Section 1619(b) allows an individual, who loses the right to a cash benefit through the receipt of wages, to automatically continue Medicaid eligibility in most cases.

There is an earnings threshold or earnings limit in every state for 1619(b) which is annually adjusted. In New York, the earnings threshold is \$43,957 per year in 2010. There are some exceptions to this earnings threshold which will be discussed later in this guide.

## How the 1619(b) Benefit Can Work for You

### Beneficiary Receives SSI Only and Works

**Example:** Hugo is a New York State resident who lives alone and receives SSI benefits of \$761 per month (i.e., the 2010 living alone rate). He goes to work and earns \$1,800 gross per month (\$21,600 per year). Using SSI's formula for budgeting income, Hugo's monthly countable income will be  $\$857.50$  ( $\$1,800 - \$20$  (general income disregard) -  $\$65$  (earned income disregard) =  $1,715 / 2 = \$857.50$ ). Since this is more than the \$761 SSI rate, he will lose his SSI check. Hugo keeps his Medicaid through 1619(b), since his annual income of \$21,600 is less than New York's threshold of eligibility (\$43,957 per year in 2010).

### Beneficiary Receives SSDI and SSI and Works

**Example:** Maria resides with her two young children and receives \$570 in SSDI benefits and \$147 in SSI benefits. She goes to work part time and earns \$465 per month in gross wages. She will lose her SSI cash benefits. This is because she has \$750 of monthly countable income, i.e., \$550 of her SSDI ( $\$570 - \$20$  (general income disregard)) and \$200 of her wages ( $\$465 - \$65$  (earned income disregard) =  $\$400 / 2 = \$200$ ), which will be counted against New York's 2010 SSI living with others rate of \$697.

Under these facts, Maria keeps her Medicaid through 1619(b). This is because she lost her SSI due to wages and her annual income from wages (\$5,580) is less than New York's 2010 1619(b) threshold for eligibility (\$43,957).

## What are the 1619(b) Eligibility Criteria?

Individuals having established both a loss of SSI due to wages and annual wages less than the state's 1619(b) threshold would also have to meet additional 1619(b) criteria:

- ☑ continue to be blind or disabled;
- ☑ have been eligible for either an SSI payment or 1619(b) Medicaid coverage for one month prior during the past 12 months;
- ☑ have unearned income and resources that are within SSI limits;
- ☑ meet a Medicaid use test (i.e., has used Medicaid during the last 12 months; expects to use Medicaid during the next 12 months; or would be unable to pay unexpected bills in the next 12 months without Medicaid).

In some cases, a New Yorker with a disability can establish 1619(b) eligibility at income levels higher than \$43,957 per year under an “individualized threshold” of eligibility. An example of how to establish an individualized threshold is described below.

## Beneficiary Earns Above the Threshold

**Example:** Harry, an SSI beneficiary who has a spinal cord injury, goes to work and earns \$50,000 per year. Since Harry lives in New York where the 1619(b) general threshold is \$43,421 per year in 2010 and since his annual wages are more than \$43,957, he will not be eligible under the general 1619(b) threshold. However, he can keep Medicaid under an individualized threshold if his Medicaid costs are high enough. If we assume Medicaid would pay \$35,000 per year for medical expenses (most of this would be for home health care), that amount would be added to a “base amount” of \$19,284 and Harry’s “individualized” 1619(b) threshold for 2010 would be \$54,284 (\$19,284 + \$35,000). Since his \$50,000 salary is below that figure, Harry remains eligible for Medicaid.

## **How Does a Beneficiary Ensure That the Transition to 1619(b) Proceeds Smoothly?**

A beneficiary should report their earnings to the Social Security Administration (SSA) on a monthly basis. At the time that the SSI cash payments stop due to reaching the Break Even Point (the point when earnings cause the SSI check to go to zero), the SSA computer will automatically determine eligibility for 1619(b), and inform the beneficiary of their eligibility for this Medicaid protection. This information will be sent electronically to the local district office (DO) of the Department of Health (DOH).

## **Are There Any Other Benefits to the 1619(b) Program?**

The other benefit of 1619(b) is that by continuing to qualify for Medicaid, the disabled individual retains their contact with the SSI program. This means that should the working 1619(b) beneficiary either lose their job or reduce their wages to below the break-even point, they could go to the SSA office and request that their SSI benefit be reactivated. The SSI check will start again. Thus, it is very important to always report earnings to Social Security each month to have the SSI benefit adjusted accurately.

## **What Does Expedited Reinstatement (EXR) Mean for People on SSI?**

EXR is an important work incentive in the SSDI program. It allows individuals who have lost the right to SSDI checks due to significant earnings, to return to benefit status when their earnings stop or are significantly reduced.

EXR is not as important a work incentive for SSI beneficiaries. SSI beneficiaries are able to move back and forth between SSI cash payments with Medicaid and non-cash payments with Medicaid [1619(b)] with no time limit even when no longer receiving an SSI check. In the rare case that an individual is no longer eligible for both SSI cash and Medicaid because of earned income (or earned and unearned income), the individual may apply for a reinstatement of benefits, within 60 months of becoming ineligible for benefits, without going through a completely new application process.

## **What if I Have Questions About How My Benefits will be Impacted by Going Back to Work?**

If you have any questions about how your benefits will be impacted by going back to work, you can contact specialists to assist you toll-free at 1-888-224-3272. The hotline is available during business hours Monday through Friday, except on holidays. Every effort will be made to return calls the same day or within one business day.

Additionally, SSA has contracted with local organizations to provide work incentive and planning services for Social Security SSDI and SSI beneficiaries. The Work Incentive Planning Assistance (WIPA) agencies have people who have been specially trained to help individuals with disabilities considering returning to work or returning to work. You can get a list of the WIPA's in New York at: <https://secure.ssa.gov/apps10/oesp/providers.nsf/bystate>

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